U.S. DEPARTMENT OF COMMERCE

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

BUREAU RESTRUCTURING PLAN

BASED ON INSTRUCTIONS PROVIDED BY THE OFFICE OF MANAGEMENT AND BUDGET, BULLETIN 01-07

May 31, 2002

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

RESTRUCTURING PLAN

RESPONSE TO OFFICE OF MANAGEMENT AND BUDGET BULLETIN 01-07

B. PLAN FORMAT AND OUTLINE

This plan details proposed restructuring activity in this Department of Commerce Bureau for the period between fiscal year 2003 through fiscal year 2007. During these five years, specific organizational changes are proposed in an effort to reduce the number of managers, reduce organizational layers, reduce the time it takes to make decisions, increase the span of control, and redirect positions within the agency to ensure that the largest number of employees possible are in direct service delivery positions that interact with citizens. As part of this effort, employees may require retraining or redeployment.

This plan provides an overview of specific organizational changes linked to the organization's mission through the strategic plan and annual performance plans. The report also shows when these changes are proposed during the next five fiscal years. Following that, the plan identifies and summarizes the following:

1) The organizational changes being proposed;

2) Any planned reductions in the number of managers;

3) Any planned elimination of organizational layers;

4) How these organizational changes will minimize the time it takes to make decisions or respond to customers;

5) Any planned increase in the span of management control. This will include any changes in the work processes of the bureau that can be streamlined to speed service delivery to customers and taxpayers;

6) Enhancements in competitive sourcing of functions; and

7) How positions within the agency may be redirected to ensure that the largest number of employees possible are in direct service delivery positions that interact with citizens. This will include changes in the staffing structure that are not captured by numbers 2 and 3 above.

The report will include an action plan for implementing these changes and identify human resources management tools and flexibilities that will be required to meet each element of the plan.

If necessary, these human resource tool analyses will note when existing authorities will be insufficient to meet targets. Expected milestone and effective dates for implementation or completion of elements of the plan will be included where feasible.

In order to monitor the effectiveness of this plan, specific measures will be tracked over the five-year period.

At the end of this plan, the bureau will include two sets of organizational charts. The first chart shows the current structure of the organization. This chart will be based on the organization as it stood at the end of fiscal year 2000 (September 30, 2000). The second chart will show the organization as it is projected to look at the end of fiscal year 2007.

WORKFORCE RESTRUCTURING PROPOSAL

FISCAL YEARS 2003-2007

I. OVERVIEW OF PROPOSED ORGANIZATIONAL CHANGES – FISCAL YEARS 2003 TO 2007

PART IA. SUMMARY OF BUREAU MISSION, VISION, STRATEGIC GOALS, AND PERFORMANCE OBJECTIVES

In July 1970, President Richard M. Nixon proposed creating the National Oceanic and Atmospheric Administration (NOAA) to serve a national need "...for better protection of life and property from natural hazards...for a better understanding of the total environment...[and] for exploration and development leading to the intelligent use of our marine resources…" On October 3 of that year, NOAA was established under the Department of Commerce (DOC) to observe, predict and protect our environment. Many of the National Marine Fisheries Service (NMFS) mandates, systems, and processes for fisheries management were conceived and implemented in the years following the Stratton Commission Report (early 1970s) when the emphasis was on developing new fisheries, products, and markets. With the Sustainable Fisheries Act of 1996, the NMFS mandate changed dramatically to address overfishing and other adverse fishery impacts that were, in part, a result of positive results in meeting those earlier mandates. While more than thirty years have passed, NOAA's mission remains **"to describe and predict changes in the Earth's environment and to conserve and manage the Nation's coastal and marine resources so as to ensure sustainable economic opportunities."**

In February of 1995, NOAA published the second edition of its Strategic Plan, which described the vision, goals and objectives for the coming decade. The Strategic Plan was summarized by its vision statement - *"For the year 2005, NOAA envisions a world in which societal and economic decisions are coupled strongly with a comprehensive understanding of the environment. Environmental stewardship, assessment and prediction will serve as keystones to enhancing economic prosperity and the quality of life, better protecting lives and property, and strengthening the U.S. balance of trade."*

NOAA's Strategic Plan described the goals and objectives established to fulfill its vision. The strategy consisted of seven interrelated goals grouped within the two missions of Environmental Assessment and Prediction, and Environmental Stewardship. The execution of NOAA's goal-based strategy depended strongly on a stable and robust infrastructure and administrative and human resources, as well as on the underlying capabilities of the agency as a national resource for research, observing systems, and environmental data and information services. The seven strategic goals presented in the plan were:

- Advance Short Term Warning and Forecast Service
- Implement Seasonal to Interannual Climate Forecasts
- Predict and Assess Decadal to Centennial Change

- Promote Safe Navigation
- Build Sustainable Fisheries
- Recover Protected Species
- Sustain Healthy Coasts

Today, as we approach the end of the decade covered by the initial Strategic Plan, the Nation and the world look to NOAA to provide timely and precise weather, water and climate forecasts and warnings that protect lives and property; to manage fisheries and protected species; to promote and sustain healthy coastlines; to make America more competitive through safe navigation; to examine changes in the oceans; and to inspire and create approaches that will protect and keep our precious natural resources alive for the generations to come.

In partnership with the eight regional fishery management councils, NOAA is now focused on reducing fishing capacity, establishing limited entry programs in almost all major U.S. fisheries, and implementing strong conservation measures to reduce bycatch, prevent overfishing, restore overfished stocks, and protect essential fish habitats.

Protective legislation like the Marine Mammal Protection Act also governs NOAA and amendments to both require a negotiated approach to deal with fishery interactions with marine mammals. Protection and recovery of Pacific Salmon has become a major priority requiring new approaches and new skills. A government-wide consciousness about actions affecting the environment led to new analytical requirements, e.g., the National Environmental Policy Act, the Regulatory Flexibility Act, and has resulted in increased litigation that strains NOAA's current skills base. NMFS is being proactive in looking at changes needed to meet these requirements.

NOAA conducts research to develop new technologies, improve operations, and supply the scientific basis for managing natural resources and solving environmental problems. NOAA's comprehensive system for acquiring observations – from satellites and radars to ships and submersibles – provides critical data and quality information needed for the safe conduct of daily life and the basic functioning of a modern society.

NOAA's products and services include short-term weather and space-weather forecasts and warnings, seasonal climate predictions, long-term global change prognoses, environmental technologies, geodetic information, nautical charts, marine fisheries statistics and regulations, assessments of environmental changes, hazardous materials response information, and stewardship of the Nation's ocean, coastal, and living marine resources.

As illustrated by the statistics and measures contained in NOAA's FY 2003 Budget Submission, NOAA is already a performance-based organization that gets results. However, NOAA does not intend to sit on its laurels. The Strategic Plan as presented in FY 1995 is limited by its inability to address changes in the external and internal environments such as the economy, political realities, and changes in mandates. As a result, objectives and performance measures identified in the FY 1995 plan have little resemblance to the objective and measures reported in FY 2003.

As NOAA looks to update and or refine the Strategic Plan consideration has to be made in ensuring that NOAA not only fulfils its legislative and statutory mandates but is flexible enough to adapt to changes, both internally and externally.

The Under Secretary of Commerce for Oceans and Atmosphere, Vice Admiral Conrad C. Lautenbacher, Jr., U.S. Navy (Ret.), directed the formation of a task force of senior NOAA managers and staff to take a bottom-up re-look at NOAA's organization, operation, and resource utilization. The mandate of the Program Review Team (PRT) was to respond to three central questions:

- Is NOAA's organization aligned with its current missions, now and for the future?
- Are NOAA's resources properly aligned with requirements?
- Is NOAA doing things as efficiently as possible?

The review was expected to not only develop answers and positions on the larger issues of NOAA requirements and structure that come from the Ocean Commission and others, but to improve NOAA's business processes like Grant Management and Facilities planning and capital improvement. We expected this review to also assist in refining the NOAA Strategic Plan for next decade.

The PRT completed its work and presented its report to the Under Secretary on May 22, 2002. In all the Program Review Team developed and submitted 68 recommendations, of which 57 either directly or indirectly responded to issues posed by OMB Bulletin 01-07. The Under Secretary concurred with most of the recommendations and has assigned the responsibility for action to Senior NOAA Managers. While some of the recommendations have established working groups to "flesh-out" and refine the details, all applicable recommendations are included in this document. We will continue to provide updates to this document as necessary.

NOAA, as described by the recommendations developed by the PRT reflects a dynamic organization that builds upon current programs and talents while embracing the central themes of the President's Management Agenda: an organization that is citizen-centered, results-oriented and market based. The future mission statement will build on NOAA's current programs and talents in order to remain the premier oceanic and atmospheric science, service and stewardship agency for America. NOAA will carry out these missions innovatively in partnership with other nations, other Federal, state and local agencies, the private sector and academia.

NOAA's future mission statement is as follows:

A. Environmental Analysis and Prediction - NOAA will build on our core competencies in environmental assessment and prediction to develop an integrated environmental analysis and forecasting system. NOAA will translate weather, climate, air quality, hydrology and ocean information into economic, ecological, human and environmental health assessments and predictions.

B. Environmental Management - NOAA will build on our core competencies in environmental stewardship to understand, value, conserve and manage natural systems. NOAA will implement ecosystem-based management and recover and protect habitats and species.

C. Global to Local Interdisciplinary Observing System - NOAA will build on our core competencies in environmental observations to develop the required global to local interdisciplinary observing system to deliver products and services to the nation. NOAA will define requirements, standards, and data management strategies, validate and

integrate observations and models, foster national and international partnerships and provide access to diverse data sets on demand.

D. Scientific Excellence - NOAA will build on our core competencies in science to provide the understanding necessary to underpin our environmental analysis, prediction, and management capability. NOAA will continue to invest in science to ensure a vibrant basis for new products and services to serve the nation.

E. Integrated Services - NOAA will build on our core competencies in integrated services to use weather, climate, air quality, hydrology and ocean information to contribute to safe, efficient, economical and environmentally sound decision making. NOAA will provide these services for a wide spectrum of National needs, including transportation, energy, and homeland security, on land, in the air and space, and at sea.

F. Ocean Discovery - NOAA will build on our core competencies in undersea technology to explore and characterize the ocean depths to guide the sustainable use of marine resources and the environment.

G. Environmental Literacy - NOAA will build on our core environmental competencies to establish and sustain an environmental literacy program to educate present and future generations to improve the public's response to natural hazards, to aid state and local management of marine resources, and to help the public adapt, respond and mitigate environmental change.

NOAA has begun the process of review and refinement of its core missions and will develop future missions in the context of a flexible, "rolling horizon," five-year strategic plan, vetted with NOAA's constituents, partners, and stakeholders. In association with this effort is an assessment of the need for NOAA's future structure to align with its future missions.

To ensure that NOAA programs adhere to this mission, NOAA will institute a strategic management process as well as an improved business process for corporate decision-making utilizing the NOAA Executive Council (NEC), the NOAA Executive Panel (NEP), and other standing and new committees. Committees will follow standard operating procedures using the Chief Information Officer (CIO) model as a "best practice" for the new corporate process. This model allows for centralized and standardized policies, with decentralized execution and can be linked to the appropriate parts of the overall strategic management process.

NOAA will separate program planning and budgeting (moving from a parallel process to a sequential one). We recognize that the strategic planning, requirements process, program planning, budgeting, and program evaluation are separate but interrelated and must be sequenced and integrated. NOAA will further refine each process and link master schedules, protocols, and operating agreements for all parts of the system. Expected deliverables include a NOAA Strategic Management Process description and a NOAA Business Operations Manual.

PART IB. SUMMARY OF ORGANIZATIONAL CHANGES COMPLETED OR UNDERWAY SINCE JANUARY 2001

In implementing the original Strategic Plan, NOAA reinvented itself. Today, NOAA continues to reevaluate itself with respect to establishing and maintaining the most efficient organization. Changes are implemented that reduce organizational layers, improve service delivery, and increase

program effectiveness through streamlining personnel and processes, outsourcing where appropriate, and leveraging external resources and talent. Specific examples of NOAA's reinvention activities include:

As of September 30, 2001, NOAA's end strength had decreased by 2,562 employees as compared to the end strength of FY 1993. This represents a decrease of 17.3 percent. Of that amount, 798 were supervisory positions which in turn has increased NOAA's supervisory ratio to 9.2 employees per supervisor. During the same time period, NOAA's total Budget Authority increased by more than $1.5 billion or 87.4 percent associated with the increased responsibilities identified in Part 1A. These trends are illustrated in Figure 1 below.

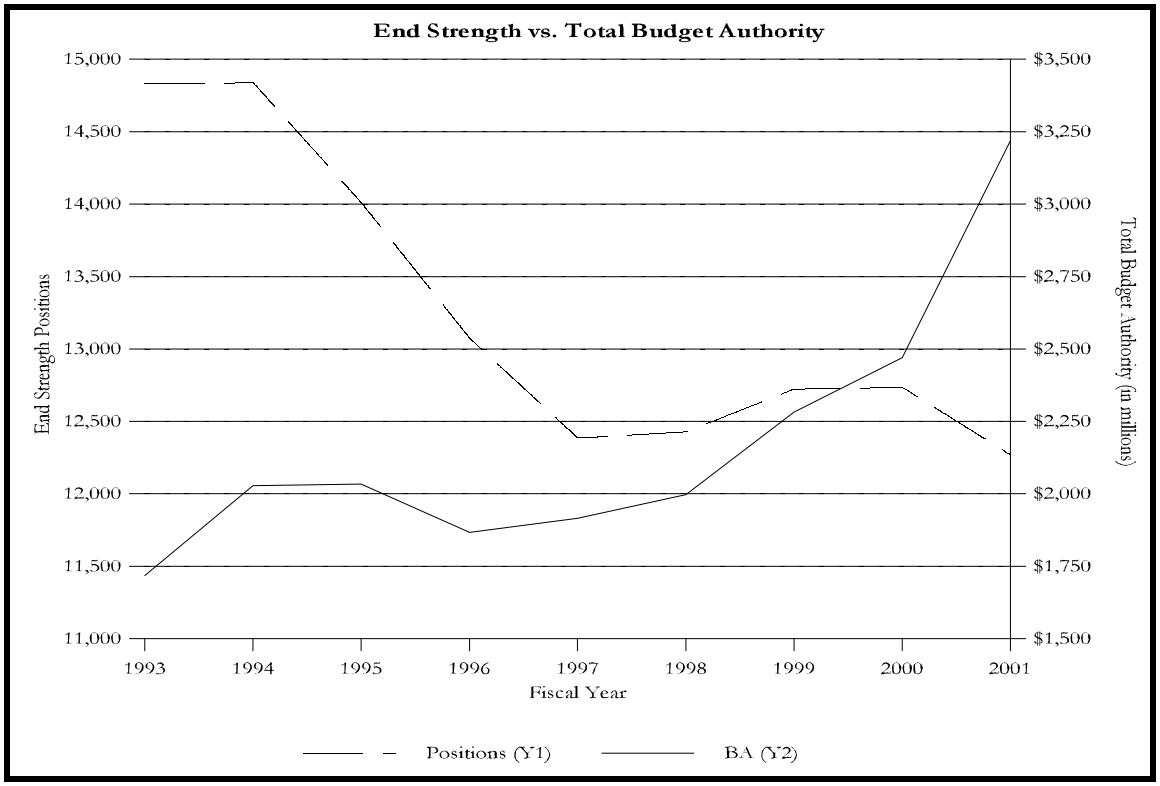


Figure 1 -NOAA End Strength Employment vs Total Budget Authority

The weather service modernization, begun prior to the publishing of the Strategic Plan, is an excellent example of reinvention that improved performance. Owing to the range and effectiveness of new technologies, the National Weather Service (NWS) completely eliminated two management layers as part of its recently completed modernization. They removed a field structure level and closed 154 small weather offices and reduced management layers by eliminating Deputy positions at more than 130 offices. More recently, the NWS reduced 24 percent of its headquarters' organizational elements (i.e., Divisions, Branches and Sections) through a realignment that redirected resources to create offices for climate and science and technological research and development.

NOAA working with the Department of Defense (DOD) and the National Aeronautic and Space Agency (NASA) is developing a single satellite system that will save the United States Government $1.8 billion dollars over the life of the program. This continued investment will allow for the convergence of NOAA's Polar program and the DOD Defense Meteorological Satellite Program. The National Polar-orbiting Operational Environmental Satellite System (NPOESS) is essential to meeting both NOAA's requirements in weather forecasting, oceanography, climate and search and rescue services as well as the DOD's National Security mission.

In order to meet mission requirements, NOAA expanded the use of private contractors for ship support in areas such as hydrographic surveys and shoreline mapping, fisheries information collection, and arctic research. The FY 2003 President's Budget contains requests that will continue to increase these outsourcing efforts.

The Office of Oceanic and Atmospheric Research (OAR) went through a major restructuring recently which removed an entire level of management between the 12 research laboratories and the Deputy and Assistant Administrator. Through this restructuring, decision making was streamlined, the number of supervisors and managers were reduced, administrative functions were consolidated and processes streamlined, the mission of OAR was focused on 3 scientific themes, and a Senior Research Council, was implemented for the purpose, on a quarterly basis, to review scientific progress and set future direction plus assess if the needs of our customers are being met and make changes as necessary to satisfy those needs. OAR has also been on the forefront of building and implementing effective partnerships. Whenever and wherever possible, OAR scientists and managers have created alliances that effectively address strategic environmental issues and challenges.

The National Ocean Service (NOS) Office of Coast and Geodetic Survey was disbanded. The associated Divisions were made into Offices, resulting in the removal of a layer of management and streamlined decision making processes.

NOS restructured its science components and placed them together into the National Centers for Coastal Ocean Science. This has resulted in a more streamlined decision making process related to scientific research.

The Office of Marine and Aircraft Operations (OMAO) re-engineered and streamlined its various components. Headquarters personnel were reduced by 60 percent, and overall a 40 percent reduction in employees was realized. Older less efficient ships were taken out of service, and replaced with a combination of more efficient ships and smaller crews. Days at sea per ship were increased, and inefficient processes and layers were eliminated.

OMAO's Aviation Operations Center realigned its organizational structure and drew down from three divisions to two. This restructuring reduced the number of layers that end-users would have to pass action items through in order to acquire airborne-derived data sets.

NMFS focused it major efforts on reducing its vulnerability to escalating litigation, which was the area most criticized by its customers, both public and within Government. It concentrated on evaluating this problem and making the activity transparent to the interested public, Non-Government Organizations (NGOs), and the fishing industry. In its most significant corrective action to date, NMFS has initiated a "regulatory streamlining" project that is intended to

promulgate regulations are in full compliance with the National Environmental Policy Act and other applicable laws, regulations, and Executive Orders. Changes completed recently include:

creation of two Deputy Assistant Administrator positions - one for Regulatory Programs and one for Management and Operations, providing a focus for the increased emphasis on changing regulatory processes and discipline for the increased regulatory activity.

delegation of review and signature authority for several programs have been made or are under consideration, e.g., Essential Fish Habitat consultations reviews, Finding of No Significant Impact (FONSI) determinations for NEPA-required environmental assessments, and no jeopardy/adverse habitat modification determinations for ESA-required biological opinions. Other authority delegations will be implemented as appropriate.

improved internal and external communication strategies by reinvigorating the NMFS Executive Board and Leadership Council; meeting with all state marine fisheries directors, and conducting listening sessions with Congress.

realignment of headquarters offices to increase accountability, focus organizational attention on results, and address budget, planning, management and administration needs.

customer service improvements, e.g., permitting on line, automated dealer reporting, and enhanced cooperative research efforts with industry.

increased compliance with legislative mandates by development of more stock assessment scientists, economists, and social scientists.

In order to maintain the credibility of its functions, NMFS is also pursuing the separation of its regulatory functions from its research activities. As a first step, NMFS will:

A. Create a science position within top NMFS management reporting directly to the AA/DAA to oversee the NMFS science programs with respect to quality, independence, and responsiveness;

B. Maintain the regional Science Centers as explicitly separate financial management centers; and

C. Shift the reporting of the regional Science Center Directors from the Regional Administrators to either the top management science position or the DAA.

The NMFS Southeast Region habitat program has delegated review and signatory authority for most of the actions it encounters. A total of 20 staff members process more than 5,000 individual proposals or others requests for activities that affect fishery habitat in eight coastal states and two territories. Primary responsibility for interacting with the public and other federal, state, and local agencies is vested in field offices that are located close to the communities with which they interact. License application examiners, in the fisheries permits program, issue 7,000 permits annually with limited upper management review. Similarly, in the NMFS Northeast Region, some 10,000 habitat-related permit actions are handled by regional staff along with

upwards of 7,000 fishery permits issued annually at this initial level of customer contact. The same is true in other NMFS Regions.

Since March 1998, NOAA has participated with other DOC organizations in a personnel management demonstration project to test various personnel management innovations. NOAA currently has approximately 2,300 employees participating within parts of three different NOAA line offices (NMFS, OAR and NESDIS). Based upon annual evaluations conducted by the Office of Personnel Management (OPM), the project innovations have, thus far, been largely successful. Innovations which have been successful for NOAA managers and employees under this project include greater pay setting flexibility; a performance appraisal system based upon pay-for-performance; and a simplified position classification system. In addition, the project innovations allow a greater delegation of human resources management authorities and responsibilities to line management, enabling them to manage human resources in a more effective and efficient manner.

In addition, the Office of Finance and Administration recognized that the System Acquisition Office (SAO) had become redundant. It had evolved from its original mission to provide oversight and correct problems in major acquisitions, to become more of a project management office, and an extra layer in the agency's procurement process. Action has been taken to disestablish the SAO, and distribute its 61 FTE to the NOAA Procurement Office, the Information Systems Office, NESDIS and OMAO. This allowed SAO's technical and procurement experts to be reassigned to positions where they could be used more effectively, and also eliminated two SES positions, as well as associated management and support structure.

Over the past several years, NOAA also has been working to respond to Congressional concerns stemming from the NOAA budget structure. The Congressional Appropriation Committees have challenged NOAA to make recommendations to simplify its budget structure. NOAA has taken several actions that address the restructuring of its budget and financial management processes. The outcome of these actions is already apparent and demonstrated in its improved budgetary communications as well as in the improved accuracy of its documentation (e.g., sustaining a clean audit and improved timeliness in the distribution of funds). NOAA continues to work toward meeting the challenges of restructuring the NOAA budget and is excited about the improved efficiency a new budget structure will bring.

In the FY 2003 budget, legislation is requested to establish a Business Management Fund (BMF) for corporate centralized services in NOAA. For decades, NOAA has managed its centralized services through a funding mechanism supported in its current financial management system, FIMA, known as indirect costs. The process by which funds were collected and distributed to support centralized services was convoluted at best, and fraught with inconsistencies. NOAA began a comprehensive effort to review its corporate funding methodologies and work toward moving its headquarters management fund into a business-like environment. A number of improvements have been realized already including stability in corporate charges for three years in a row, returning unspent corporate costs, and reporting to customers the status of funds mid-year and at year-end. However, to complete this effort of truly realizing a business fund operation, NOAA requires legislation. No current legislation exists for NOAA to operate this fund, particularly once FIMA is replaced by Commerce Administrative Management System (CAMS). Once legislation is secured, NOAA will begin to develop budgetary documentation for the BMF with the same rigor and reporting as required with appropriated funds. Already underway, in support of this effort is NOAA's initiative to implement Activity Based Costing (ABC) across all of the Office of Finance and Administration's key business lines. ABC studies are being completed to compute costs for

services such as human resources, grants, and eventually all support services provided. The end result of these studies will be the ability to charge customers a fee for services, based on actual and estimated usage, and by the specific services required. This will replace the flat rate off-the-top methodology employed today and will allow charges to be tailored to line office specific requirements. NOAA is committed to bringing its corporate services up to 21st century standards, and the flexibility of a business management fund is a cornerstone of its plan.

Areas for potential improvements that are "works in progress" or new strategies include the following.

In the process of developing "Most Efficient Organizations" in conjunction with commercial activity studies, NOAA organizations will place special emphasis on streamlining, simplifying, and de-layering decision-making processes. Aside from FAIR Act initiatives, such efforts will save time and money.

The NOAA Grants Council is being reconstituted and will be charged with the responsibilities to streamline, implement and oversee the NOAA grants process and products. The Director of Acquisition and Grants is the Chair of the Council, and has overall responsibility and accountability for the effective execution of the process between the Program Offices and the NOAA Grants Office. For the portion of grants management that is not inherently governmental, NOAA will examine the possibility of conducting a pilot program to assess the use of contractor support. NOAA also has implemented five short-term recommendations to improve the grants process. They are:

A. Do pre-work on recurring grants applications (those that are expected to be reauthorized) prior to Appropriation;

B. Immediately following enactment of the annual Appropriation, meet with Congressional Appropriations staff on clarifications;

C. Streamline distribution of funds;

D. Set upper limits/cycle times for Program Offices and the NOAA Grants Office (to include OGC and Inspector General clearance and Congressional notification); and

E. Facilitate Grantee submission of complete and accurate applications by use of automation and training (through grants workshops) and expansion of the Grants-On-Line process to allow for on-line application to all grants. This is expected to improve efficiency and customer interface with all clients and users.

Further, appropriate attribution for NOAA's investments (through grants, cooperative agreements and contracts) affords an opportunity to better inform our constituents how public funds are being used to address important national oceanic and atmospheric issues. In accord with the PRT recommendation NOAA will improve acknowledgment and recognition of agency grant support. Also, to maximize and encourage NOAA's commitment to education, the NOAA Grants Office will ensure that "a commitment to education and outreach" is included in its standard criteria in the grants selection process for merit reviews, where appropriate (e.g., not precluded by law).

Since January 2001, NOS has begun to further restructure its organization to continue to be responsive to the emerging coastal issues of the 21st century, to better leverage resources, provide excellent, responsive delivery of products and services to the agency's customers, leverage new technology and information delivery and target and streamline key management practices and processes for now and future years. Specifically, restructuring activities include:

A. Realigning the NOAA Coastal Service Center and the Center for Operational Oceanographic Products and Services, currently located on the Assistant Administrator's staff, to assume Program Office stature. This realignment will enhance cross-program collaboration and communication and provide direct delivery service to its customers.

B. Elevating the National Marine Sanctuaries Program from Division level to Program Office enabling them to respond more effectively to the growing complex user conflicts and resource management challenges.

C. Realigning the Office of Ocean and Coastal Resource Management, establishing its coastal management positions into functionally-based teams instead of the current geographically-based regional teams with emphasis on state liaison and program operations, program development, and Federal interest to improve coordination and integration across individual state programs.

D. Establishing a new Communications and Education Program that will be robust and proactive in educating legislators, media and stakeholders of NOS' mission; building partnerships with external organizations and groups; and leveraging new technology to communicate NOS' mission, products, and services at all levels. This program will be established by redefining the Policy, Analysis and Communication Division of the Management and Budget Office (M&B). Further, the Staff Office of Special Projects will be incorporated as a Division into M&B.

NOAA line organizations will delegate greater fiscal accountability and administrative management decision making authority to its operational managers. To ensure compliance, NOAA Line and Staff Offices will adopt cycle time standards for allocation of financial resources, establishing five business days as the target, following program increase allocations from the NOAA Budget Office. This target will be met by preparing draft spending plans based on Congressional conference committee marks and will be included in NOAA-wide performance measures. Simultaneously, NOAA will conduct a study of an end-to-end automated solution for resource allocation (providing for a transfer from the NOAA Budget Office to Financial Management Centers in "one push of the button.").

NWS is introducing new automation tools in forecasting, such as the Integrated Forecast Preparation System and the Advanced Hydrologic Prediction System. Additional efficiencies resulting from these tools may create opportunities to address other needs within the organization. For example, NOAA will staff WFOs using "fair weather staffing." That is, there is a minimum core staff required to produce forecasts, even in fair weather. When weather events occur (or are forecast), the workload increases. Staffing is accomplished through extensive use of overtime.

NWS recently began implementation of a staffing plan, developed in concert with its employees' organization, to redirect staff resources from data collection positions to information technology (IT) specialists dedicated to developing and integrating weather models into local operations. This will allow operational meteorologists to remain attentive to forecasting while IT issues are addressed. Our plan will also provide redirection of 121 FTE to other operations positions. Accomplished through attrition, the plan will remove one technician supervisor and one technician at each WFO.

Each WFO will then receive an IT specialist. Through partnership with the NWS employees' organization, the remaining positions will be strategically placed as outlined in guidance in the plan.

In addition to A-76 studies directed by OMB, NWS has begun formation of a team to evaluate potential efficiencies, changes, and opportunities based on technological advances and their implementation into operations. For example, technology has provided not only new products and services, but more direct accessibility by our customers. NOAA expects even greater emphasis on delivery of information in new digital and graphical formats. These new products will serve customers directly and serve as base data which the private sector enhances and tailors for specialized needs. NWS also commissioned a study by the National Academy of Sciences to recommend the proper relationship between public and private weather services.

PART IC. SUMMARY OF WORKFORCE ANALYSIS

Although changes in work, through new more advanced technology, will provide opportunities to improve our programs, products and services to the Nation, the basic operational, and applied research and development skills required to accomplish our mission and associated strategic objectives will remain primarily the same. Inherently, our organization is reliant upon a dynamic array of expertise in many areas, including but not limited to the following, which reflect the scientific skills as well as the professional, technical, administrative, management, leadership, and fundamental skills required to accomplish the agency's mission and goals.

- Operational and applied research and development skills (e.g., meteorology, physical science, hydrology, oceanography, marine science, biology, chemistry, geology, geophysics, cartography, natural resource management and aerospace, electronic and electrical engineering)

- Information Technology skills (e.g., applications, systems development, remote sensing, geographic information systems (GIS), telecommunications, sophisticated software development, and electronic equipment maintenance, information technology security, network administration, and web programming to plan, develop, operate, and maintain mission-critical infrastructure)

- Federal budgetary and financial management skills

- Federal human resources, contracts, grants, facilities and a range of generalist, administrative and program management analysis skills

- Communications (e.g., media and public relations, constituent and public outreach, education)

- Professional planners, evaluators and futurists

- International and multicultural expertise

- Socioeconomic analysis

- Leadership and management skills

Within these skill sets however, there exist expectations for greater emphasis in the following areas.

Advanced Scientific Scope and Technology: Observation and measurement of physical and biological events are expanding from narrow or specific platforms to system-wide research, surveys and assessments. Greater emphasis will be placed on remote sensing, information technology, GIS, acoustics, engineering, hydrology, mathematics and all energy-related specialties.

Synthesis and Delivery of Data: The public's increasing demand for rapid delivery of data in easy to synthesize digital and graphical formats is increasing. These new products will serve our e-savvy customers directly, and provide the base data which enhance scientists' ability to interpret data, and enables the private sector to tailor information for their specialized needs.

Adaptability to internal and external influences: In order to avoid the obsolescence experienced with the initial Strategic Plan, NOAA must ensure that its future workforce is versatile, capable of adapting to the 21st Century's dynamic technical and political challenges. This is especially relevant applied to future senior managers.

Data Collection and Standardization: To allow greater sharing of data between agencies and various constituent groups, more standardization will be needed in the collection of information including use of similar quality control and assurance processes. In addition, the Internet will be used more powerfully to access vast amounts of data and perform better analyses of alternative solutions.

Enhanced Partnerships: Improved customer awareness is critical to the expansion of partnerships with NOAA's varying constituent groups.

Contracting Officer's Technical Representative (COTR): The growth of outsourcing in the Federal Government will require an increase in trained contract managers, and people with experience in modern team management.

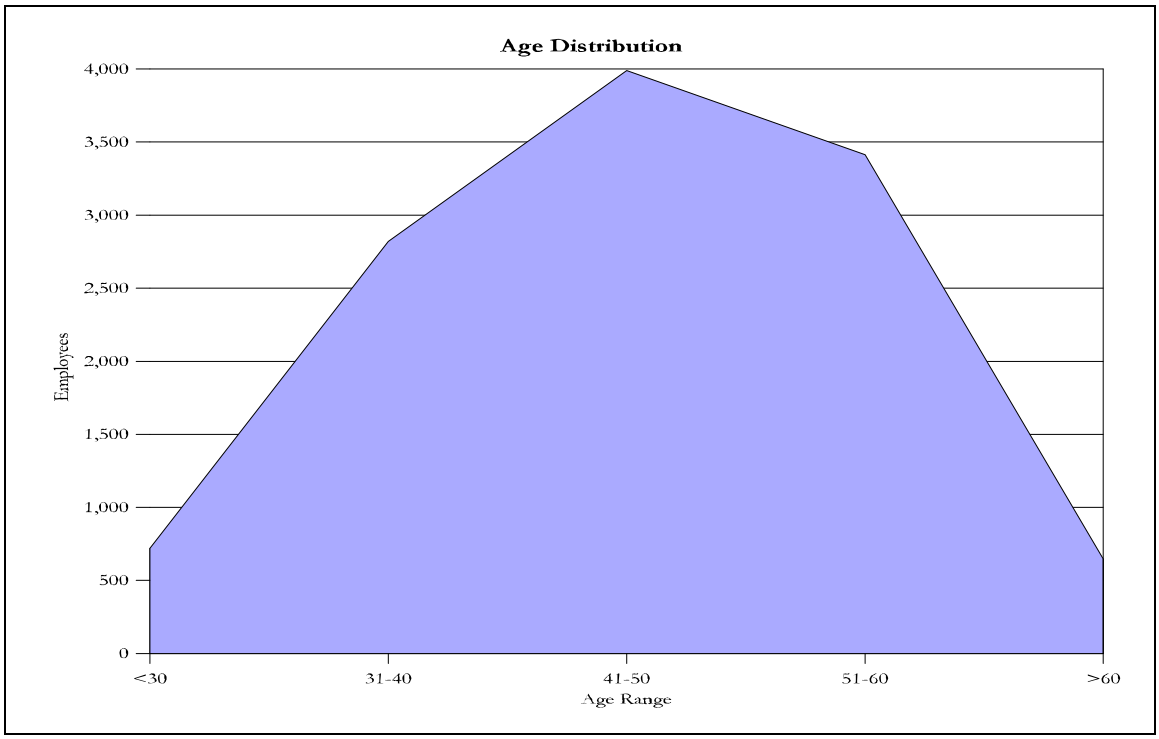
Leadership and Management Skills: Strategic thinking and strategic management plus a broader range of program and project management skills will be required to lead, administer and support a complex array of multi-disciplinary issues, people and programs.

Enhanced Education and Outreach: In order to improve the effectiveness of NOAA's programs, the public needs to be better informed as to value of our research, products and services.

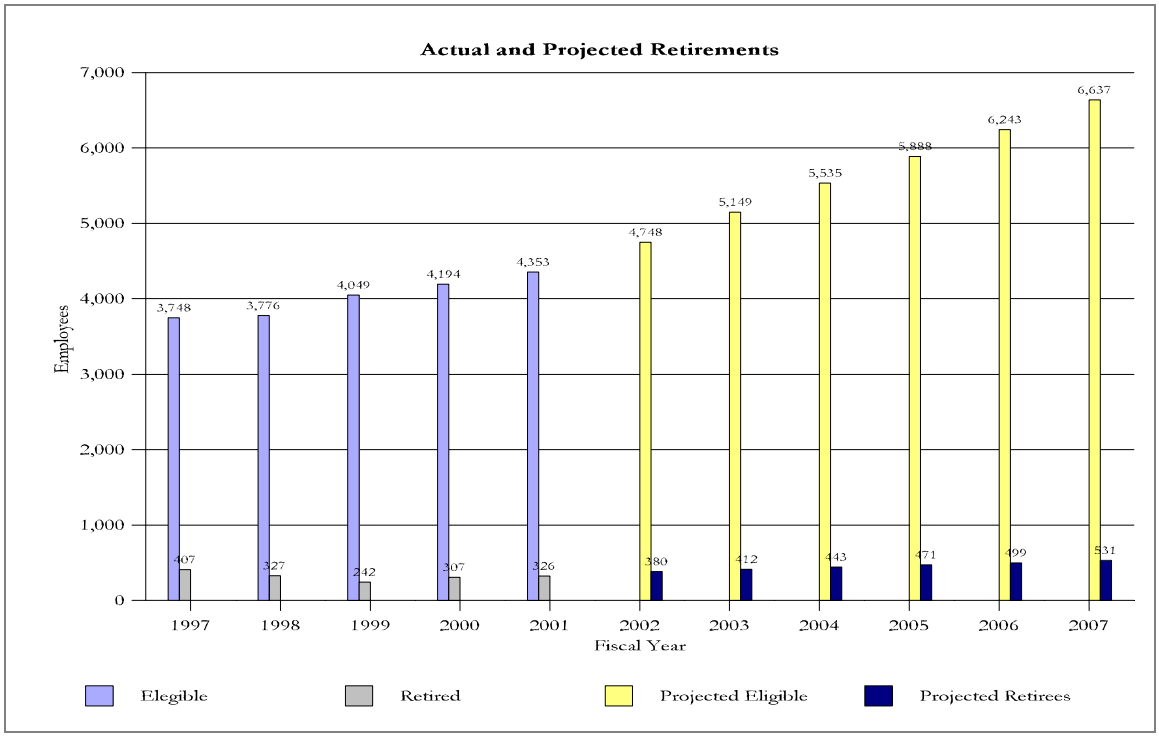
Further NOAA needs to develop senior scientist (ST) positions that allow premier scientists to rise to senior executive positions without taking on management responsibilities.

NOAA is in the process of reconciling, revising and updating its human resources and budget databases to complete the NOAA Table of Organization by October 1, 2002. This will enable the agency to effectively identify and track endangered skills and better target recruiting and development requirements. Analysis of NOAA's current demographics results in several areas of concern which need to be addressed as part of workforce restructuring efforts:

- The average NOAA Federal employee is 45 years of age. Only 7 percent of the workforce is under the age of 30. The high average age combined with a very low number of younger employees leads to concerns about succession planning, and the infusion of new ideas and sustaining technical capabilities.



- The average grade of NOAA's Federal employees is at the GS-12/07 grade level**,** because of the highly-trained technical and professional nature of the NOAA mission. These mission requirements as well as fiscal constraints have limited the hiring of "journeyman" and entry level positions at most Line Offices.



- In FY 2001, 13 percent of the current NOAA workforce is eligible to retire. This will increase to 32 percent by FY 2005 (39 percent of GS-13 grade level or above). By FY 2007, 50 percent of NOAA's Federal workforce will be eligible to retire.
- Further complicating NOAA's attempts to maintain a "Corporate Memory," more than 50 percent of the Federal employees now on-board at NOAA are projected to leave the agency by FY 2007.

PART ID. SUMMARY OF PLANNED OR RECENTLY COMPLETED CHANGES BETWEEN 2003 AND 2007

- Establish Cooperative Science Center partnerships at accredited Postsecondary Minority Serving Institutions (FY 2001)

C Realign NOAA Budget Structure (FY 2002) - **Completed**

C Consolidate System Acquisition Office functions within existing Line Offices (FY 2002) - **Completed**

C Establish Business Management Fund for Administrative Services (FY 2003 - FY 2006)

C Continue implementation of Plans for Regulatory Streamlining Project and Delegation to Field, affecting all areas of responsibility.

C Deploy Commerce Administrative Management System (FY 2002 - FY 2003)

C Conduct public-private cost comparisons involving 103 FTE (FY 2002)

C Implement the first NOAA-wide Leadership Competencies Development Program (FY 2003)

C Conduct public-private cost comparisons or direct conversions on 239 FTE (FY 2003)

C Establish inventory of NOAA employee skills related to Homeland Security (FY 2003)

C Complete Program Review (FY 2002)

C Identify additional organization changes (August, FY 2002)

C Begin revision of the Strategic Plan (FY 2002)

C Submit revised NOAA Restructuring Plan (FY 2003)

C Implement E-Grants, E-Rulemaking, E-Permits Programs (FY 2004)

C Transfer of Seafood Inspection Program to FDA (FY 2004)

C Expand personnel management demonstration project to additional LOs (FY 2003 - FY 2007)

C Complete Weather Forecast Office Restructuring (FY 2002 - 2005)

The following section outlines the action plan for implementation of this restructuring plan. The action plan provides effective dates, milestones, and targeted completion dates.

PART IIA. IMPLEMENTATION TIMELINE AND ACTION STEPS

The Program Review Team completes its work and presents recommendations to NOAA Senior Management who will accept the findings or forward the issue for further study or review. May 02

Findings briefed to the Department of Commerce, the Office of Management and Budget, Congressional Oversight Committees and key partners and constituencies. June 02

The first draft of the NOAA Strategic Management Process description and a NOAA Business Operations Manual completed. July 02

Complete study of an end-to-end automated solution ("one push of the button") for resource allocation. September 2002

Complete NOAA Table of Organization to effectively identify and track endangered skills and better target recruiting and development requirements. October 02

Complete assessment of NOAA structure in terms of future missions. October 02

NOAA will implement an improved business process utilizing the NOAA Executive Council and and NOAA Executive Panel (NEP). The NEP will prepare and submit a list of committees, draft charters and operating procedures Fall 02

Begin preparing documentation to formally submit paperwork for initial phase of reorganization recommended by the Program Review Team through management and the HR process Fall 02

Develop plans for building the workforce needed in the future based on gap analysis of competency models. January 03

Gain oversight approval for initial reorganization actions Spring 03

Complete competency analysis of NOAA's present workforce competencies, and considering the results of the Program Review Team Report, identify competencies needed in the future. Spring 03

Gain approval to changes in Human Resource tools Spring 03

All additional reorganizations identified- Summer 03

All reorganizations complete October 05

PART IIB. 2003 TO 2007 RECRUITMENT PLAN

While the Federal government is attempting to implement innovative programs to attract candidates, today's senior managers have risen to their positions of responsibility under the bureaucratic model of the 1960-1990's. Our future employees are seeking organizations whose culture is more open, collegial, and employee-empowering. Without specific shifts in management practices to address generational diversity in the workplace, the Federal government's efforts to attract the best and brightest of the emerging 21st Century workforce will prove to be ineffective.

NOAA participates in an OPM-designated Demonstration Project designed to streamline HR hiring systems and provide for flexibilities in pay and performance management not available in the Title V civil service system. This participation does not cover all Line Offices, and must be expanded to more of NOAA to maximize the benefits. Even with greater recruitment flexibilities provided through alternative personnel systems such as the Demonstration Project, many factors often put the NOAA at a disadvantage in competing with the private sector. They include the following:

- Salary limitations and budget constraints place NOAA managers at a competitive disadvantage.
- Relatively low pay scales of most Federal jobs at the entry level, compared with analogous jobs in the academic and corporate environments, make employee recruitment and retention difficult.
- Limited advancement opportunities for scientists to higher graded, non-supervisory positions impedes the organization's ability to retain research expertise. This situation is especially acute in the hiring of minorities.
- Many academic institutions do not offer curricula that equip their graduates with the skills required by our organization. And where graduates with those skills are available, the demand is so great that the Federal sector, with its perceived culture of restrictive, hierarchal work, is often not appealing to the science and technology college graduates when offered what they perceive to be a more open, collegial, employee-friendly workplace in the private sector.
- Length of time involved in the standard Federal recruitment process often results in the most qualified individuals having found other positions.
- Burdensomeness of the application process for Senior Executive Service (SES) vacancies make them "unfriendly" to non-governmental candidates.
- Department of Commerce's SES recapture policy requires agency to rejusitify each position as it becomes vacant, further delaying recruitment action.

To be competitive in recruiting and hiring qualified candidates, NOAA is seeking to amend Federal regulations to eliminate barriers and to provide Federal managers with greater flexibility and expeditiousness in recruitment, hiring, and workforce management including for the Senior Executive Service. We need to better use recruitment and relocation bonuses, or utilize student loan repayments as enticements for prospective employees in critical job series. In addition, NOAA is reviewing occupational series and skill set requirements in efforts to collapse or reclassify "dead end" positions into occupation series that provide career path opportunities in key program areas to attract new recruits. An example of such an effort is changing secretarial positions to administrative support series.

The high profile nature of our work, its positive impact on Americans, and dispersion of offices across the country provide unique recruitment opportunities which we foster through extensive education, training, and volunteer recruitment efforts in support of our mission. NOAA offers

many work/learning training opportunities to students and recent college graduates with an interest in environmental careers through partnerships with organizations such as the Environmental Careers Organization and programs such as METCON, ASIES and ORIES. As we seek to attract highly qualified individuals to the Federal service, particularly those with diverse backgrounds, our organization has also stepped up its cooperative efforts with particular schools and universities. These following are offered as examples:

- NOAA's Cooperative Science Centers: establishes partnerships at accredited Postsecondary Minority Serving Institutions (MSI) in core scientific fields critical to our strategic objectives and vision with the goal of expanding the institutions' training and research capabilities, and supporting the development of programs compatible with NOAA's mission.
- NOAA's Graduate Scientist Program: provides formal periods of work and study, and is designed to attract and develop outstanding qualified students accepted to a graduate program in an MSI who are interested in pursuing advanced degrees in disciplines related to NOAA's mission.
- NOAA's Faculty and Student Intern Research Program: designed to provided summer work experiences to faculty, as well as graduate and undergraduate students from groups who are under represented in our scientific and administrative mission-related occupations.
- The Presidential Management Internship (PMI) Program: attracts outstanding masters and doctoral-level students to the Federal service.
- Sea Grant College Program: calls for a network of sea grant colleges which would conduct education, training, and research in all fields of marine study, and directed that grants and contracts would go to "suitable public and private institutions of higher education, institutes, laboratories, and public or private agencies which are engaged in, or concerned with, activities in the various fields related to the development of marine resources."

PART IIC. 2003 TO 2007 SUCCESSION PLAN

In the next five years, more than 50% of NOAA's senior executives and managers will be eligible for retirement. Succession planning is critical to the continued performance of this organization. As part of its succession planning, several Line Offices are undertaking an analytical approach to competency development in our agency and their analysis will be used as models of how this will be accomplished NOAA-wide. This process involves supply, demand and gap analysis. Identification of the competencies of NOAA's present workforce; identification of competencies needed in the future; comparison of the present workforce to future needs; as well as the preparation of plans for building the workforce needed in the future, thereby, enabling NOAA to focus its efforts first on those knowledges and skills requiring the most development.

Long before outside attention was focused on workforce planning, NOAA was addressing executive/managerial succession planning in order to deal with its most critical workforce planning issue. In the fall of 1996, NOAA conducted a retreat to discuss executive development, and implementation of a plan that would provide guidance on continuing training needs and requirements for current and future Senior Executive Service (SES) members. Succession planning was key among our goals. NOAA's Leadership Competencies Development Programs, through training, education, and development within and across organizational lines, were developed and are now being implemented by the majority of our Line and major Staff Offices. The remaining offices will have implemented the program by the end of FY 2003. The Leadership Competency Development

Program (LCDP) is part of a NOAA-wide initiative, previously implemented by various line office staff organizations, to develop better leaders within our Bureau through training, education, and experience within and across organizational lines. The initial implementations of the LCDP were so successful, Senior NOAA Management from each Line/Staff Offices agreed to support the program corporately.

In concert with this NOAA-specific leadership training program, Line Offices are enrolling high-performing GS-15 employees in Federal Executive Institute Leadership program or similar training programs and encouraging high potential GS-14/15's to apply to the Department of Commerce SES Candidate Program.

Beyond the potential crisis in organizational management, NOAA is also addressing issues regarding the maintaining of the "Corporate identity." As noted earlier, a number of experienced senior scientists and professionals are approaching retirement age. Besides the conventional method of building the knowledge base through training, NOAA is committed to ensuring that separating employees transfer operational experience, wisdom, and best professional practices to others.

In furthering the goal of knowledge transfer, NOAA is participating in the Department of Commerce mentoring program. The 12-month program is designed to help employees develop the various technical and interpersonal skills necessary to succeed in today's challenging environment. A formal mentoring process capitalizes on the experiences of successful individuals (mentors) who are committed to developing a highly skilled and high-performing workforce. Mentors serve as coaches, not as supervisors. Although having a mentor does not guarantee advancement, the wise counsel and advice of an experienced colleague can help employees handle various situations, enhance their development, and avoid some of the pitfalls that can derail a career or delay a promotion.

Recently, in response to the tragic events of September 11, 2001, NOAA has also implemented steps to ensure the continuity of Operations through the implementation of a Homeland Security Succession Plan.

PART IID. 2003 TO 2007 TRAINING PLAN

Based in part on the previous Administration's Reinvention efforts, NOAA does not have a centralized training office, nor does it have a coordinated program. As training approval authority was delegated to the Line Offices (LO), so to was the responsibility of developing and managing training programs. As a result the composition of the programs is markedly different, not only across NOAA but across an individual LO.

As part of the workforce restructuring plan, NOAA is pursuing a coordinated training effort for competencies that cross Line Offices. By coordinating efforts on common subjects and requirements, NOAA not only ensures that training programs cover the specialized needs of the individual offices, but through standardized training in subjects and skills that are pertinent to all organizations, it can maximize the return on investment and reduce a common problem of mis communication that occurs when training for the same subject or skill is provided from multiple sources. This effort will be led by a Training Council that reports through the NOAA Executive Panel.

NOAA's vision is to focus on creating a better workforce that possesses cross-functional capabilities and the exceptional leadership skills required to carry out our organization's mission,

creating one corporate, noaa-wide effort. The basis of NOAA's corporate-wide training process could be the Integrated Learning Management System (LMS) that has online training nomination, registration, scheduling and tracking capabilities A fully web-enabled system, the LMS: provides electronic registration and approval of training nominations and scheduling; electronically routes the forms for approval and fund obligation at multiple levels; accommodates a large number of users simultaneously, worldwide; notifies employees if their training request has been approved/denied or of schedule changes/cancellations; tracks the status of training requests; interfaces with other reporting and funds management systems (i.e., CAMS), eliminating additional points of data entry (to include importing information from NFC); has the capability to integrate NOAA-specific competency models/skills assessment inventories; helps to empower employees to take control of career development by assisting in management of personal learning plans (IDPs); and, includes the ability to interface with E-Learning@NOAA.

Currently established NOAA corporate training programs include:

- SES New Century Leadership Training (NCL) - This is a 1-week developmental experience in Charleston, SC for NOAA Senior Executives and high potential GS-15/s. The focus of the program is NOAA's next generation of managers, particularly in the areas of strategic management and understanding the political environment in which NOAA must function.

- NOAA Leadership Training Program (NLTP) - This is a five day course designed specifically to define and describe the role of first-line managers and supervisors. It focuses on recognition of a new accountability for agency quality, productivity and organizational performance. The course provides a shared understand of the supervisor's responsibilities when working with all types of employees, and demonstrates what managers can do to motivate their workforce to meet new challenges. The NLTP is designed to promote self-understanding and to develop insights into leadership, interpersonal communications, human resources, motivation, delegation, and conflict management within an organization.

- Leadership Competencies Development Programs (LCDP) - This program is part of a NOAA-wide initiative to provide training, education, and a series of developmental experiences, within and across organizational lines, for a cadre of individuals who have high potential for assuming leadership and/or executive level responsibilities in positions noaa will likely fill in the next three to five years.

- Senior Executive Service Competency Development Program - NOAA also participates in the Federal Executive Institute training, and the Department of Commerce's Senior Executive Service Competency Development Program.

- E-Learning@NOAA: an initiative that shifts from traditional "ad hoc" training to a comprehensive, web-enabled, agency-wide employee development system which provides information about and administers training from e-learning to instructor-led courses. The availability of this form of continuous learning will provide a means for NOAA employees to keep up with changes in mission, technology, and content of work, and serve to attract and retain young people for whom self-development is a top priority. E-Learning@NOAA is about corporate knowledge management and just in time learning. It allows the organization to focus on increasing employee performance through training, lower training costs by consolidating and leveraging dollars for maximum effectiveness, globalization of the training function (access to training courses and information anytime, anyplace, to students at any pace.) As this initiative is written, the pilot for E-Learning@NOAA is being developed for a summer launch.

Beyond these coordinated activities, NOAA promotes training programs that are responsive to emerging organizational issues and provide improved delivery of products and services to the organizations' customers. These efforts focus on the critical need to re-train some employees and be more aggressive in providing opportunities to employees to broaden their skills, gain knowledge, and enhance their personal growth. NOAA corporate is monitoring the progress and response to these activities as pilots for consideration of NOAA-wide implementation. Examples of these training activities include:

- National Weather Service Training Center (NWSTC) - located in Kansas City, and built for the Weather Service Modernization, the NWSTC is dedicated to developing, enhancing, and maintaining skills in science, systems, technology, and leadership. Use of this center will be expanded to include all LOs. Candidates for this coordinated training strategy have already taken shape.

- Rotational Assignment Program - open to all employees in all occupational categories to give them an opportunity to learn or improve a technical skill or new technology and/or gain experience in a technical area different from their current speciality.

- Career Enhancement Program - for employees to broaden/improve technical and foundational skills that will enhance their career Tuition reimbursement will be considered as a possible incentive to improve the core competencies and career potential of the workforce.

- New Employee Orientation Program - designed as a retention/team building tool that provides new employees a means to become acclimated to their Line Office, and exposed to a broad spectrum of NOAA programs. This program has been conducted on a quarterly basis in FY 2001 and FY 2002. Although it has had several successes, a review is currently underway to consider appropriate presentation intervals.

PART IIE. 2003 TO 2007 RETENTION PLAN

Current workforce statistics have indicated that retirement is not the only threat to the continuation of the NOAA mission. Based on statistics gathered since 1997, 45.5% of NOAA's total attrition has been the result of either an individual leaving the Federal Government or leaving NOAA for another Federal Agency. This exodus of employees is just as much a concern to our management as the aging of the workforce. NOAA is concerned with not only what makes our employees leave, but also what makes them stay. To help answer these questions, NOAA utilizes an extensive "Survey, Feedback, Action" (SFA) program to solicit employee input on issues. NOAA completed the first SFA in 1999, and a new SFA began in February 2002. The projected completion is FY 2003. The SFA will be used to identify employee concerns such as employee-management relations and quality of worklife issues. Quality of worklife is also the focus of NOAA's Employee Worklife Center, located in Silver Spring, Maryland, but "electronically" opened to every NOAA employee eager to more effectively juggle today's demands of work and family.

In addition to these initiatives and activities associated with Succession or Training previously identified, NOAA has enacted or is considering a number measures to retain its current employees such as:

- Expand Participation in the Commerce Paybanding Project will allow for greater pay setting flexibility and managers to be able to pay for performance versus pay for longevity.

- Expanded and enhanced applicants ability to use the Commerce Opportunities On-Line (COOL), an automated staffing tool designed to reduce paperwork and produce candidates in a more timely manner.

- Developed a corporate approach to attract and develop highly-qualified and diverse college graduates through intern programs.

- Continued to develop and design training programs to ensure that all supervisors and managers have the basic skill to do their jobs.

- Continued looking at internal processes to shorten processing times, expand use of automated processes, and improve customer feedback as a means of speeding the hiring process.

- Improved diversity recruitment to ensure that noaa programs support a diverse, respectful, and productive workplace.

- Established performance measures to assess effectiveness of actions and overall progress achieved in improving human capital management.

- Reviewed occupational series and skill set requirements in efforts to collapse or reclassify qualified candidates in "dead end" positions into occupation series that provide career path opportunities such as changing secretarial positions to administrative support positions in key program areas.

- Used existing human resource tools such as the retention bonus allowance as well as exploring new incentive program to retain and reward employees.

- Explored the use of student loan repayments to retain key journeyman level employees in critical job functions.

- Considered paying professional membership dues for job series where employee membership is considered beneficial to the Federal Government (e.g., American Meteorological Society). Along with the professional membership, NOAA is considering paying for professional insurance.

- NOAA has significantly increased its nominations for Recognition programs including:
  - Presidential Rank Awards
  - DOC Gold, Silver and Bronze Medal

- NOAA has established Award Recognition programs, including:
  - NOAA Administrator's Award
  - NOAA Employee of the Month
  - Line Office Employee of the Year
  - Special Act Awards
  - Cash-In-Your-Account

- NOAA also actively participates in initiatives designed to increase employee satisfaction, such as alternative work schedules and telework programs.

PART IIIA: ELEMENTS OF THE ORGANIZATION TO BE IMPACTED

The proposed specific organizational changes described in this report are expected to have the following impacts during fiscal years 2003 through 2007.

☐ Reduce the Number of Managers

■ Reduce Organizational Levels

■ Reduce Time Taken to Make Decisions

■ Increase Span of Control

■ Increase Staff in Direct Service Delivery Positions

■ Enhance Competitive Sourcing of Organizational Functions

PART IIIB: DISCUSSION OF IMPACT ON THE ORGANIZATION

NOAA will continue to be responsive to emerging issues, to better leverage resources, provide excellent, responsive delivery of products and services to the agency's customers, leverage new technology and information delivery and target and streamline key management practices and processes for now and future years. As a result of the Program Review Team and other external and internal studies, NOAA will restructure its organization to streamline processes so that day-to-day operational decisions are located as close to the customers as possible.

NOAA will embrace and encourage interagency and reimbursable agreements, and outside contracting, along with a commitment to spending 50 percent of new research funds within the external community via competitive proposals. Criteria will be set for such agreements including a standard that reimbursable agreements limit the use of permanent full time equivalents (FTE). The PRT also recommended that other functions that are not inherently governmental (e.g., certain grants processing functions), be examined for potential contracting.

The PRT included numerous recommendations on future organizational structure, with an emphasis on standardized matrix management as a corporate business practice, and cross-cutting strategic themes as the preferred structure for budget and resource allocation. The intent was to consolidate missions, better align scientific research and operational functions, and formalize project management coordination to reduce the need for multiple, sequential decisions and approvals, and diverse funding sources for closely related programs.

The capstone of the restructured organization would be the corporate approach to be taken by NOAA using matrix management and vehicles such as the NOAA Executive Council and the NOAA Executive Panel, with appropriate support structures drawn from existing resources. Examples of activities that would implement the new approach include NOS and NMFS matrix

managing marine ecosystem programs; centralization of observation system planning and integration with NESDIS as the lead of a matrix management team; establishment of a Research Committee to replace the Office of the Chief Scientist, and oversee all NOAA research; and the reactivation of the NOAA Facilities Council, and the strengthening of accountability for all corporate facilities planning and management NOAA-wide, under the leadership of OFA.

Closely related to the organizational restructuring above, the PRT made a variety of recommendations that were more process-oriented. These included reviewing the possible realignment and consolidation of the NOAA laboratories along thematic lines to improve focus and efficiency; establishing vertical integration of the functional activities of the Administrative Service Centers, to ensure consistency in service and policy; reconstituting the NOAA Grants Council, giving it overall responsibility and accountability for grants processing in both line offices and NOAA headquarters; and clarifying roles and responsibilities between the major staff offices, and also their line office counterparts, to eliminate duplication and improve coordination.

The PRT recommended establishment of a NOAA-wide requirements-based management process linked with the planning, programming and budgeting processes. This would be supported by an Assistant Administrator for Program Planning and Integration and associated staff, as well as a new Program Analysis and Evaluation function – all to be drawn from existing resources. Again, this would serve to consolidate, standardize and formalize management processes that are now spread throughout the agency.

Other process improvements would include consolidation of Information Technology management under the Chief Information Officer; consolidation of NOAA Education efforts under the revitalized Office of Education and Sustainable Development; a stronger role for the Director of the Office of Marine and Aviation Operations in the Ship and Aircraft Allocation process; and the establishment of a Regional Coordinator program to provide single points-of-contact for all NOAA customers at selected geographical locations.

PART IVA. HUMAN RESOURCES TOOLS CURRENTLY AVAILABLE

NOAA currently uses a variety of human resource (HR) tools to recruit, train, and retain employees as noted in earlier sections of this document.

PART IVB. NEW HUMAN RESOURCES TOOLS OR TOOLS REQUIRING APPROVAL

The present Federal human resource (HR) rules and regulations are antiquated. The major elements of Federal personnel and performance management systems are written narrowly and have been interpreted in law to restrict management's discretion. While private industry employers are also governed by non-discrimination and accessibility laws, their HR procedures are designed to provide discretion and flexibility in hiring and retaining the best possible workforce in support of the organization's profit margin. Federal regulations must be amended to eliminate barriers and to provide Federal managers with greater flexibility in recruitment, hiring, and workforce management. Examples of changes necessary to aid us maintain our world-class organization include:

- Modify recruitment procedures making it simpler to hire quality candidates such as eliminating the "rule of three," providing direct hire capabilities, providing more and more effective recruitment bonuses to candidates with critical skills including the possibility of student loan repayment.

- Modify the Senior Executive Service (SES) hiring process and empower the NOAA Administrator to conduct SES selections, adjust the application process to be more "friendly" to non-governmental candidates and eliminate the Department's SES recapture policy.

- Enable federal managers to pay for performance not just in terms of rewarding excellent performance, but providing greater flexibilities and more options for handling poor performers--low performers should be easier to "let go." The performance appraisal system needs to be strengthened and we must review and streamline labor-management authorities regarding impact and implementation requirements.

- Provide NOAA buyout authority to eliminate areas with surplus skills and where re-training and redeployment are not feasible.

- Allow NOAA the ability to pay retention bonuses to prevent employees from going to another government position.

- Increase the use of telework, flexible workplace and alternative work schedules.

NOAA believes that workforce restructuring is not a synonym for downsizing and FTE reduction. As illustrated by our workforce statistics, NOAA has a significant challenge ahead to remain a world-class scientific organization. Investments are necessary to train and develop our current workforce and recruit new employees in "critical functions." However, NOAA intends to minimize the requirement for additional budgetary resources by redeploying funds gained through management improvements or refocusing resources on our core mission. This strategy provides incentive for managerial initiative within the organization to find effective solutions to our human capital needs while embracing the efficiencies available through implementation of other elements of the President's Management Agenda such as E-government.

As we continue with the restructuring activities, we may reach a point when there are skills surpluses in areas where re-training is not feasible and voluntary separation incentives might be needed to facilitate workforce restructuring. There are several key aspects to our potential use of voluntary separation incentives.

1. Buyouts would be restricted to surplus skills sets in cases where re-training and redeployment are not possible.

2. Buyouts will be a last resort in re-shaping the workforce

3. Buyouts are a means of re-shaping the workforce, not as a means of downsizing. Consequently, we would request that there be no accompanying FTE offset.

VI. PLAN FOR MEASURING PROGRESS

Ultimately the success of our Workforce Restructuring Plan will be measured on the effectiveness of NOAA to meet the goals of the Strategic Plan. As an outcome of the Program Review, the new strategic plan will use formal tools and measures for accountability and performance based management, where appropriate, including:

- Continue and strengthen development of NOAA-wide performance measures
- Provide manager training for evaluating employees.
- Establish performance measures for product lines and cross-cuts, with a review by at least two managers for matrix management programs
- Establish standards for program cross-cuts and write such standards into individual employee performance plans
- Use the "balanced scorecard" model, which includes customer and employee input, as well as performance measures
- Tie performance measures to budget and/or performance evaluations in order that high performers are rewarded and poor performers are managed appropriately
- Use past organizational performance as a factor in planning future investments
- Use an independent group to design and administer an annual internal customer/supplier satisfaction survey
- Continue and strengthen the review of NOAA science programs by the Science Advisory Board and/or other outside groups
- Explore performance-based tools, such as the Capability Maturity Model in areas outside of Information Technology
- Where performance goals are not met, ensure that responsible officials develop a corrective action plan
- Use performance-based contracts, where feasible
- Endorse activity-based costing as a tool to be used for performance based budgeting.

The expected strategic goals and performance measures will be ambitious and based in no small part on the ability to maintain a balanced and high-quality workforce. Degradation of our workforce will be immediately evident by failure to meet performance standards and goals. NOAA will also measure success based on the feedback we solicit from our customers, our partners and our employees. We depend on these groups to help maintain our focus and improve our decision making processes and evaluate the effectiveness of our products and services. In addition, NOAA undertakes periodic reviews and re-evaluation of our programs by qualified entities such as the National Academy of Sciences and the National Academy of Public Administration.

- NOAA Organization Chart (Current Structure)
- NOAA Organization Chart (Proposed Structure)
- NOAA Annual Performance Plan

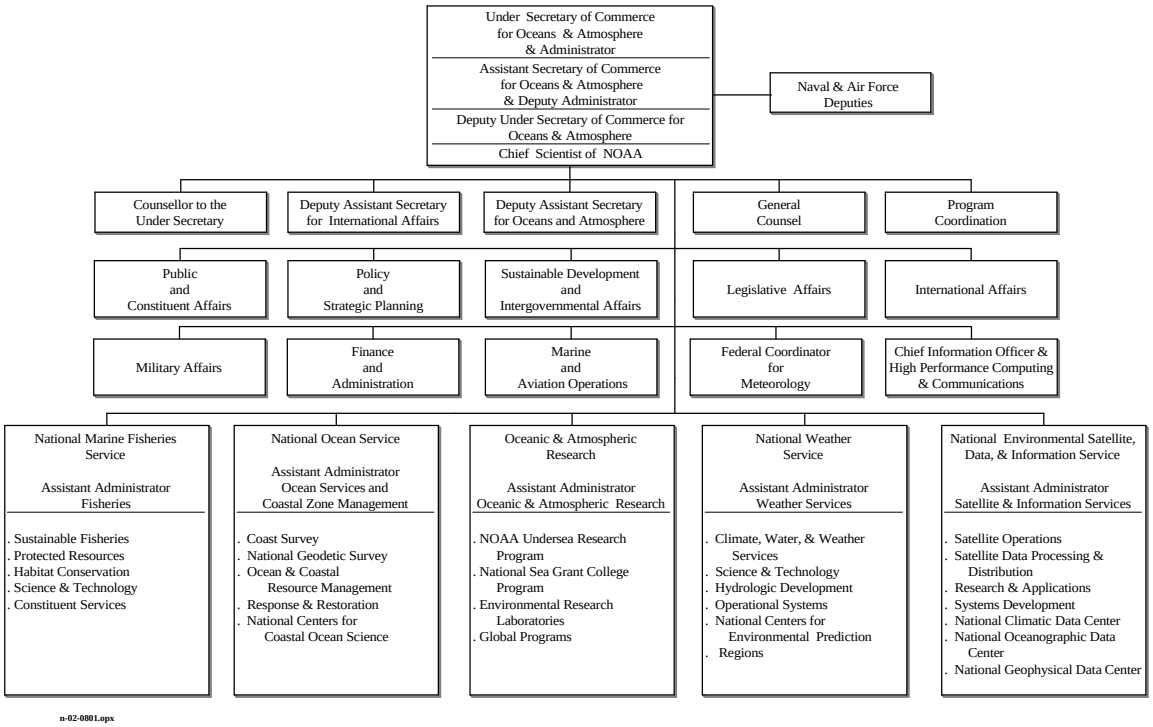
U.S. DEPARTMENT OF COMMERCE

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

(Current Structure)

Exhibit 1 to
DOO 25-5

U. S. DEPARTMENT OF COMMERCE
NATIONAL OCEANIC & ATMOSPHERIC ADMINISTRATION



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U.S. DEPARTMENT OF COMMERCE

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

(Proposed Structure)